

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE CITY OF IRVINE)	
UTILITY COMMISSION TO ACQUIRE THE)	CASE NO.
FACILITIES OF THE ESTILL COUNTY WATER)	2014-00425
DISTRICT NO. 1)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO THE CITY OF IRVINE UTILITY COMMISSION AND
THE ESTILL COUNTY WATER DISTRICT NO. 1

The City of Irvine Utility Commission ("Irvine") and the Estill County Water District No. 1 ("Estill No. 1"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due 14 days from the issuance of these requests for information. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the individual responsible for responding to questions relating to the information provided. When filing a paper containing personal information, Irvine and Estill No. 1 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and

accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Irvine and Estill No. 1 shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Irvine or Estill No. 1 fails or refuses to furnish all or part of the requested information, Irvine or Estill No. 1 shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Irvine and Estill No. 1 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Confirm that the city of Irvine is classified as a city of the Fourth Class pursuant to KRS 81.010. If not, then provide the classification of the city of Irvine.

2. State whether the city of Irvine will be classified as a city of the home rule class pursuant to KRS 81.005(1)(b) effective January 1, 2015. If not, then provide the classification of the city of Irvine effective January 1, 2015.

3. The *Annual Report of Estill County Water District #1 Sewer Division to the Public Service Commission for Year Ended December 31, 2012* ("2012 Annual Report") at page 14 of 44 lists an end-of-year balance amount of \$8,146 for customer deposits. With regard to this balance amount, answer the following.

a. State the current balance amount for customer deposits held by the Estill No. 1 Sewer Division.

b. State whether the Estill No. 1 Sewer Division will refund the customer deposit funds it holds.

c. State whether the Estill No. 1 Sewer Division will transfer any of the customer deposit funds it is holding to Irvine pursuant to the September 15, 2014 Memorandum Settlement Agreement. If so, state the amount of the customer deposit funds that will be transferred.

d. For any customer deposits held by the Estill No. 1 Sewer Division that will not be refunded to customers or transferred to Irvine, state the Estill No. 1 Sewer Division's plan for these customer deposit funds.

4. The Joint Application at Numbered Paragraph 5, part f, states that "[t]he District shall decommission and abandon use of its existing wastewater treatment and sewer facility." With regard to this statement, answer the following.

a. State the expected total cost to decommission and abandon the existing wastewater treatment and sewer facility.

b. State how Estill No. 1 will fund the decommissioning and abandonment.

5. State whether the litigation in the Estill Circuit Court, Civil Action Number 14-CI-21, styled *The City of Irvine Utility Commission v. Estill County Water District No. 1*, has been dismissed. If so, provide a copy of the Order entered by the Estill Circuit Court terminating the litigation.

6. The September 15, 2014 Memorandum Settlement Agreement at Numbered Paragraph 3, in pertinent part, states “[t]hat from and after the Effective Date, IMU shall assume, agree to pay, pay, and indemnify and hold the District harmless from the outstanding balance remaining due from the District to the USDA after the payments referred to in the preceding paragraph.” With regard to this statement, answer the following.

a. State whether Estill No. 1 has or will obtain a release from the USDA with regard to this loan.

b. If Estill No. 1 has not or is not obtaining a release, state the actual or potential liability of the District with regard to the loan. Explain in detail the amount of the liability and the circumstances under which the District may be obligated to repay all or a portion of the loan.

7. The September 15, 2014 Memorandum Settlement Agreement at Numbered Paragraph 14, part b, states that the Agreement is contingent upon Estill No. 1’s receiving “written assurances from such agencies of state government as are applicable that its prior activities, and those necessary for the decommission and closure of its existing wastewater treatment plan, shall not result in any fines, assessments, or penalties against the District.” State whether this contingency remains or has been met. If this provision of the Agreement remains a contingency, state the anticipated date that the contingency will be met.

8. The September 15, 2014 Memorandum Settlement Agreement at Numbered Paragraph 14, part c, states that the Agreement is contingent upon Estill No. 1’s and/or Estill County’s receiving “such assurances as they deem necessary that no

grant funds previously made available to them will be required to be repaid if this Agreement is carried out as described herein.” State whether this contingency remains or has been met. If this provision of the Agreement remains a contingency, state the anticipated date that the contingency will be met.

9. State the number of people that Irvine employs to operate its water and wastewater systems.

10. State the number of Irvine employees that the Kentucky Division of Water has certified as wastewater treatment operators.

11. State whether Estill No. 1 has any customers inside the cities of Irvine and Ravena that will be billed at the inside city rate. If so, then, by city, indicate how many.

12. The rates in Exhibit B are greater than Estill No. 1's current rates. State whether Estill No. 1 has provided notice of the potential increase in rates associated with this application. If so, then provide a copy of the notice(s).

13. Describe how wastewater flow in the existing Estill No. 1 system will be conveyed to the treatment plant in the Irvine system. Include with the description a schematic which depicts any physical connection(s) between the existing Estill No. 1 system and the Irvine system.

14. State whether any additional connection(s), pump stations, or other infrastructure are necessary for the wastewater flow in the existing Estill No. 1 system to be conveyed to the treatment plant in the Irvine system. If so, provide the entity responsible for funding such connections or infrastructure, the estimated cost(s), and the manner in which this cost will be funded.

15. With regard to the new treatment facility for the Irvine system, state whether the Kentucky Division of Water has issued a notice of violations concerning the operation of this plant. If so, provide a copy of each notice of violation and all correspondence with the Division of Water regarding the notice of violation. (Note that this request item does not seek information concerning the former wastewater treatment facility of the Irvine system.)

16. State the date by which Estill No. 1 expects to file its 2013 Annual Report.



Jeff Derouen
Executive Director
Public Service Commission
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DATED **DEC 30 2014**

cc: Parties of Record

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